



Biosciences Alliance of Iowa

The Biosciences Alliance of Iowa (BAI) was established in 2004 as an IDED Advisory Committee to secure Iowa's role in the emerging innovation economy by focusing state investments and efforts in key bioscience areas in plant, animal and human product innovation. This is the first time a statewide coordinated and focused effort has been made to use Iowa's technical resources for the purposes of economic development.

The BAI's primary objective is job and wealth creation based upon seven platforms identified within our Regent institutions in the July 2004 "Bioscience Pathway for Development" prepared by Battelle. The seven platforms are bioeconomy, advanced food products, animal systems, integrated post-genomic medicine, integrated drug discovery, integrated biosecurity and biomedical imaging.

The Board of Directors of the BAI represent universities and private colleges, the agricultural communities, business community, local economic development and government.

Legislative Request

Human, animal, and plant biosciences present tremendous business opportunities in areas such as biorenewable fuels, drugs and pharmaceuticals, medical devices and biomaterials. Iowa must capitalize on these opportunities.

As part of its research, the Battelle Group identified seven platforms within the State's biosciences industry with high growth potential for Iowa. After defining Iowa's unique capabilities -- where the state's raw materials meet the research prowess and educated population -- Battelle developed Iowa's pathway for success to grow and excel in the biosciences. From this strategic roadmap emerged the creation of the Iowa Biosciences Alliance, a forty-five-member board made up of representatives from academia, government and most importantly, the private sector.

Legislative Request (continued)

The mission of the alliance is to facilitate communications, foster collaboration on common issues, and develop a critical mass of support to stimulate the actions required to realize Iowa's bioscience vision. To achieve this aim, Governor Vilsack and Lt. Governor Pederson recommend an appropriation of more than \$4.6 million in FY2007 to allow the Iowa Biosciences Alliance to invest in the following strategic areas:

1. Building Iowa's bioscience research capacity around the seven technology platforms focusing on investments in talent, facilities, and equipment;
2. Encouraging and facilitating the commercialization of bioscience research to enhance opportunities for start-up, emerging, and existing companies;
3. Fostering a positive business environment that supports, sustains, and encourages growth and sustainability of biosciences firms in Iowa; and
4. Developing Iowa's talent pool specific to the biosciences industry.

The goal of this initiative in FY2007 is to create ten new bioscience business opportunities and attract 300 additional jobs to the state. In addition to this request for direct funding for the work of the BAI, Governor Vilsack and Lt. Governor Pederson proposed an investment of \$50 million over three years from the tobacco settlement refinancing proceeds for investment in the recommendations from the Battelle reports. Because private sector involvement is essential to the process, Governor Vilsack and Lt. Governor Pederson proposed that the Regents, IDED and BAI, and the Chief Technology Officer work together to prioritize the investment for maximum impact. Further, the Governor proposed that the Regents and IDED would create a committee with equal representation from both groups to direct these funds to the most promising economic development projects available at the time.

BAI feels strongly that this investment needs to be made in specific projects that will a) leverage the entrepreneurial business environment of Iowa, b) leverage outside money and resources, and c) be self-funding within three years with no ongoing costs to the State. Because the business environment and opportunities are continually changing, BAI also recommends that funding of projects should be paced over the three-year timeline with measurable milestone requirements for continued funding of projects.

Job and Wealth Creation Budget Recommendations

In anticipation of potential funding, the BAI has been working for the last two years to determine how state dollars wisely invested in certain areas would provide the greatest positive impact on the state's biosciences industry, creating jobs and developing wealth. The following items represent the BAI's suggested uses for a FY2007 \$4.6M appropriation and the \$50 million over three years from the tobacco settlement refinancing proceeds as recommended in the governor's budget.

A. Venture Services Corporation (VSC): Develop a NFP to address technology, capital and talent issues including:

- a. **PLANNING ACTIVITIES:** Experienced entrepreneurial staff to provide business plan development assistance, due diligence, market assessment, and technology assessment.
- b. **ACCESS TO CAPITAL:** Operate a competitive prototype and seed development fund, provide linkages to the state's existing venture capital community, angel investor network and early stage financing through venture financing pools and ag-related venture pools.
- c. **TALENT:** Access to an experienced pool of managers and operations talent to staff, mentor or advise start-up enterprises. (\$4,055,000)

B. Use and Enhancement of Existing Resources: Build upon past investments and successful models to fill the gaps including:

- a. **INCUBATION CENTERS:** Develop a virtual network, connecting the existing Incubation Centers, for the purpose of using in the most cost effective manner the multiple talents found in the staff to solve the problems of early stage start-up companies. (\$100,000)
- b. **EDUCATION AND WORKFORCE DEVELOPMENT:** Support K-12 math and science teachers in public and private schools by providing to each district a stipend of up to \$50 per day for one math or science teacher to attend a qualifying bioscience workshop. (\$400,000)

Job and Wealth Creation Budget Recommendations

- c. **CAREER DEVELOPMENT:** Assist in the development of a state-wide system of intermediaries, modeled after the Workplace Learning Connection in Cedar Rapids, using the community colleges to connect students to the variety of career opportunities. (\$45,000)

TOTAL: \$4,600,000

C. Use of the Tobacco Settlement Funds: Any funds that are expended must serve multiple start-up companies in the state. This provides maximum leverage of scarce resources.

- a. **ENDOWED ENTREPRENEURIAL CHAIRS:** This new type of faculty appointment will pay a portion of innovative faculty salaries during a five to seven year period while they start up a new company and retain their position in the University. (Total for seven chairs: \$14 million)
- b. **FOCUSING STATE INVESTMENTS TO CREATE JOBS AND WEALTH:** The types of projects that should be funded are currently characterized in the "3X7" plan proposed by BAI. Projects selected for funding should leverage the entrepreneurial business environment of Iowa, leverage outside money and resources, and must be self-funding within three years with no ongoing costs to the State. It is understood that of the \$50 million, \$20 million must be spent as capital projects. It is anticipated that as part of each project approved, capital items will be approved as well. (Total for three years: \$36 million)

TOTAL: \$50,000,000

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BIOWA	Iowa Corn Growers Association
Iowa Pork Producers	Iowa Biotechnology Association
Iowa Seed Association	Professional Developers of Iowa
Iowa Business Council	Greater Des Moines Partnership
Iowa Chamber Alliance	Agribusiness Association of Iowa
Iowa Soybean Association	Association of Business and Industry
Iowa Farm Bureau Federation	Iowa Association of Independent Colleges and Universities
Iowa Institute for Cooperatives	



BAI

BIOSCIENCES ALLIANCE
of Iowa

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